

Isomorphism, Human Resource Capability and Its Role in Performance Measurement and Accountability

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Abstract

This research tests the effects of institutional pressures, the use of performance measurement systems and accountability, and moderation effects of human resource capability between institutional pressures and the use of performance measurement systems in the Local Government institutions in Indonesia. The research aims to provide empirical evidence both quantitatively and qualitatively that isomorphism institutional pressures occurred in the scope of implementation of the performance measurement system and accountability in the public sector organizations and to show the importance of human resource capability enhancement in reducing external pressure impact. In addition, it tries to develop the correlation model of institutional pressures, human resource capability, implementation of the performance measurement system, and accountability of public sector organizations. The research used mixed methods with sequential explanatory design. The data collection used surveys and interviews in 209 regency/Special Region of Yogyakarta and Central Java local governments as samples. The research result indicated that the institutionalization process of the performance measurement is influenced by institutional pressures, especially coercive and mimetic pressures. Human resource capability was unable to weaken institutional pressures effects in the performance measurement system implementation. The research also proved that the use of a performance measurement system was able to improve local government institution accountability.

Keywords: Institutional Pressures, Human Resource Capability, Performance Measurement System, Accountability

JEL Classification Code: B25, J24, H11, M41

1. Introduction

New Public Management (NPM) concept started rising in the 1980's when the changes happened in the financial management system of the public sector in some OECD countries (Hood, 1991; Chowdhury & Chandra, 2019). NPM started from 14 countries who were conducting administrative reforms (Manning & Parison, 2003), from there it started to

get approved and applied in the modern world in most of the countries, one of which is Indonesia. Indonesian government has begun to implement this concept since bureaucracy reforms in 1999 signed by the establishment of Presidential Instruction (Inpres) No.7/1999(Akbar, Pilcher, & Perrin, 2015).

The essential of NPM is to improve the system by prioritizing public interest and in the process all the decisions taken by the government are monitored by all parties. The concept is considered to be capable of accomplishing organizational management of the conventional public sector particularly in Indonesia (Ahyaruddin & Akbar, 2016). NPM concept implementation in Indonesia has made an impact on demand for the government to perform on the basis of the accountability principle. Accountability is a guideline of taking administrative decisions and providing services (Wang, 2002) that is surely able to be made as the government's conduct benchmark. Moreover, in the Law (UU) No. 28/1999, accountability has become one of the general principles of state administration that is interpreted as the principle deciding that each activity and final result of

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the state administration activity must be accountable to the society or people as the highest state sovereignty holder in accordance with the validated provisions of the legislation.

Accountability demands in the public sector, finally, led to the need of improvement and performance enhancement in the government. Performance concept itself includes indicator, target, and output pressure placement (Gajda-Lüpke, 2009; Jatmiko, Laras, & Rohmawati, 2020). Performance enhancement and administration reformation success need management development and performance measurement framework (Sotirakou & Zeppou, 2006). It is possible that performance measurement system which is aimed at hierarchy and performance measurement, enables strategy design and its implementation and contributes to effective mission, target, and organizational performance achievement (Sotirakou & Zeppou, 2006), thus, this performance measurement system plays an important role in answering the performance enhancement concept.

Awareness of the importance of performance measurement systems have been actually considered by the Indonesian government. This is proved by the design of Performance Measurement System (PMS) in accordance with the Presidential Regulation (Perpres) No. 7/1999 regarding the Government Performance Accountability and The Head of State Administration Agencies Decree (SAA) No.589/IX/6/Y/1999 replaced by No. 239/IX/6/8/2003 with reference to Annual Report of the Government Performance Accountability (known as LAKIP) by the Indonesian Government that is used to determine performance indicators, therefore, the performance achievement can be measured naturally. This PMS, hopefully, will be able to direct the government for continuously enhancing accountability.

The existence of the rule regarding PMS in the governments at both central and local level, indicates that external pressure motivates PMS implementation in conducting state administration. As stated by Akbar, Pilcher, & Perrin, (2012) that PMS implementation and performance indicators in Indonesia would rather aim at meeting the set regulation needs than aiming at making the organization more effective and efficient. This phenomenon shows that institutional theory has underlined the institutional homogenization process in Indonesia. The organization will be more identical to the other similar organizations as the result of isomorphism power (DiMaggio & Powell, 1983). Isomorphism itself is an obstacle process which insists on a unit in a population that is similar with another unit, facing the same environmental conditions setting in which the process can be in the form of coercive, mimetic, and normative pressures (DiMaggio & Powell, 1983). This institutional isomorphism theory suits the context of Indonesia because the local governments' condition in Indonesia because instead of performing free competition, each of the local governments competes to obtain legitimacy through political power (Akbar, Pilcher, & Perrin, 2012).

Previous research related to the existence of the external pressures in PMS (Cavalluzzo & Ittner, 2004) found the result supporting institutional theory in their research which says that the government organizations in implementing PMS aims at fulfilling legislative requirements without actually applying the system for internal purposes. Meanwhile, the previous studies regarding PMS in Indonesia only tested the factors having effects on performance indicator development proving the existence of isomorphism (Akbar, Pilcher, & Perrin, 2012; Akbar, Pilcher, & Perrin, 2015; Ahyaruddin & Akbar, 2016; Sofyani, Akbar, & Ferrer, 2018). This research tries to emphasize the existence of institutional pressure effects of isomorphism in the process of the use of performance measurement system and accountability.

This research would like also to test the correlation between human resource capability on isomorphism institutional pressure and the use of performance measurement system. Capability is based on organization's capacity for performing a series of coordinated tasks and utilizing organizational resources with the purpose of achieving certain final results (Helfat & Peteraf, 2003). Internal power in the organization (i.e. this capability) becomes a competitive superiority for the organization when it faces other similar organizations. If a company or an organization has more resources and has a stronger capability, then the dependency of external environment will be less, thus, it will promote weaker external environment effect (Li & Ding, 2013). The research conducted by (Li & Ding, 2013) has proved that capability in an organization, in fact, is the ability to overcome isomorphism institutional pressures related to internationalization implementation. Nevertheless, the research results in the private and the public sectors contexts may be different, therefore, this research means to conduct an interaction analysis of public sector organizations toward isomorphism institutional pressures by using the performance measurement system.

This research contributes to the theory development, particularly in accountancy field of public sector management regarding more comprehensive understanding related to PMS implementation institutionalization process according to isomorphism perspective. Practically, this research result facilitates the governments to actualize accountability principles in the physical resource management that will finally enhance service quality for society.

2. Literature Review

2.1. Institutional Theory

Institutional theory shows that institutional environment has the power to create rules, norms, and cultures so that the internal institutions are encouraged to behave in the same way, therefore, they are able to obtain recognition and

admission, as well as to enhance their legitimacy (Zhang & Hu, 2017). Urgent process encouraging a unit of population to resemble other units facing the similar environmental condition is called isomorphism pressure (DiMaggio & Powell, 1983). Isomorphism can appear because either a nonideal form is chosen from organization population or the organization decision maker learns the suitable response and adapts their behaviors in accordance with it (DiMaggio & Powell, 1983). Isomorphism pressures, finally, become a driving factor of institutions' tendency to imitate each others' behaviors (Glebovskiy, 2019).

DiMaggio and Powell (1983) mentioned that there are three mechanisms in institutional isomorphism change. The change is caused by coercive, mimetic, and normative pressures. Coercive pressure comes from both formal and informal pressures given to an organization with other organizations which are dependent on each other. In addition, organizational functions are dependent on the culture inside a society. This pressure can be felt as coercion, persuasion or invitation for joining in a cooperation (DiMaggio & Powell, 1983). Mimetic pressure emerges because of uncertainty by imitating another organization's actions (DiMaggio & Powell, 1983; Liang, Saraf, Hu, & Xue, 2007). The subjects are likely to overcome uncertain conditions when they are unable to ensure the correlation between purpose and effort of the organization (Ashworth, Boyne, & Delbridge, 2009). Normative pressure illustrates the impact of professional standards and the effect of professional community on the organizational characteristics (Ashworth, Boyne, & Delbridge, 2009). Professionalism builds a cognitive and legitimacy base for organizational autonomy (DiMaggio & Powell, 1983).

2.2. Human Resource Capability

A good management on organization capability is very essential in this competitive era for both private and public sectors organizations. Capability management refers to a company or an organization competence for managing and carrying out efficient operations (Barney, 2001). A superior organization while constructing capabilities has competitive advantages. According to a resources-based perspective (Barney, 1999), ownership and capability producing competitive advantages are generally in the form of intangible assets, especially the knowledge base of the company or organization including technological knowledge, marketing knowledge, management and human resource expertise, and even organizational climate. Liang, Lu, and Wang (2012) stated that organization capabilities encompasses technological capability, marketing capability, and managerial capability.

This research focused on the management capability especially in managing human resources in accordance with the research conducted by (Yiu, Lau, & Bruton, 2007). Human

resource management practices enable creating a sustainable competitive superiority, especially when it is linked to the company's or organization's competitive strategy (Roos, Fernström, & Pike, 2004; Nguyen, Ha, & Dang, 2020). Role of human resource management is important, not only for private sector organizations, but also for public sector organizations. The previous researches have proved that human resource management in public sector organization has the main role in performance enhancement. Vanhala & Stavrou (2013) while investigating the human resource management practices and the correlation between human resource managements and performances in the public and the private sectors among three social clusters namely Anglo (Australia, Canada, New Zealand, England, and USA), European-Germany (Austria, Germany, and Netherlands) and European-Nordic (Denmark, Norway, and Sweden), found correlation between human resource managements and discovered that the performances are stronger in the public sector organizations compared with the private sector organizations. Another research comes from a developing country namely Ghana which was conducted by Antwi and Analoui (2008) showed that human resource has correlation with policy, task/skill/organization, and performance motivation.

2.3. Performance Measurement System

Performance measurement defines a methodology for measuring efficiency and effectiveness and provides management with the tools to improve organizational functioning (Gajda-Lüpke, 2009). It indicates an effective performance measurement implementation by achieving the expected purpose in any task (Cinquini & Mitchell, 2005; Phornlaphatrachakorn & Peemanee, 2020).

The use of the effective PMS becomes essential because the appropriate PMS can be used to communicate the organization's strategy and aim, as well as synchronize the goal between the organization and its workers. By the effective PMS, it will also be able to provide accurate information, thus, it enables the managers to analyze their own performances in effective and efficient ways. In addition, the effective PMS can facilitate the organizations through the latest organization's conditional indication and can be used to develop strategies and operations at a later stage (Tung, Baird, & Schoch, 2011). Nonetheless, in the execution, performance indicator development in PMS implementation in Indonesia local governments was likely to aim at meeting regulation needs (Akbar, Pilcher, & Perrin, 2012), it indicated that the research in the performance measurement system development and implementation of the local governments in Indonesia is based on the external pressure. Hence, this research would like to try to observe the use of performance measurement system in the context of isomorphism.

2.4. Accountability

Accountability is used more in discourse politics and policy documents due to conveying a description of transparency and trust (Lourenço, Piotrowski, & Ingrams, 2017). Based on Wang (2002), accountability is a guideline of administrative decision taking and service provision. On the one hand, accountability that is in accordance with supervision and behavior control of the government prevents authority concentration construction and accelerates learning ability and public administration effectiveness (Iyoha & Oyerinde, 2010). It was frequently assumed that better accountability will produce better transparency and improve performance (Dubnick, 2005). Accountability itself in Indonesia is one of the general principles in state administration stipulated by Law (UU) No. 28/1999, so all of the local governments must apply the principle of accountability (Hardiningsih, Udin, Masdjojo, & Srimindarti, 2020). As a concept, accountability has high complexities and many aspects and the government prioritizes stakeholders differently due to competing demands conditions for accountability from various stakeholders (Komputipong & Keerasuntonpong, 2019). Thus, it is essential for considering it by specifying who is responsible (accountable), to whom, why, and through what ways (Patton, 1992).

2.5. Isomorphism Institutional Pressures and the Use of Performance Measurement System

There have been several studies which has found that the institutional pressures have an effect on the government sustainability including PMS implementation in public sector organizations. As we can see at the research conducted by (Akbar, Pilcher, & Perrin, 2012; Akbar, Pilcher, & Perrin, 2015; Ahyaruddin & Akbar, 2016; Sofyani, Akbar, & Ferrer, 2018), it was found that the external pressure influences the use of performance measurement systems on the local governments in Indonesia. The more competitive environment has encouraged to obtain legitimacy or recognition from other parties. Consequently, an organization will be more identical with other similar organizations as a result of the isomorphism power (DiMaggio & Powell, 1983). The local governments in Indonesia only used performance indicators for formal reports or legislative requirements (Akbar, Pilcher, & Perrin, 2012). This indicated that coercive pressure becomes the PMS implementation base. Encountering mimetic pressure, an organization will decide a policy by imitating other organization policies, even though it is conducted by limited knowledge when it sees them implement the policies successfully. The research conducted by (Akbar, Pilcher, & Perrin, 2015) found that there are many local government apparatus which has no management motivation shown by some local

governments are likely to choose to imitate merely what the other governments have already acted upon. The research (Akbar, Pilcher, & Perrin, 2012) showed that both formal and informal technical knowledge have effects on the use of performance indicators. It indicated that normative pressure effect has positive role in PMS implementation policy.

H1a: Coercive pressure has effect on the use of Performance Measurement System positively

H1b: Mimetic pressure has effect on the use of Performance Measurement System positively

H1c: Normative pressure has effect on the use of Performance Measurement System positively

2.6. Institutional Pressures, Human Resource Capability, and the Use of Performance Measurement System

Internal power can be a privilege for an organization in competing with others. The stronger competitive superiority means the stronger power or autonomy in taking decisions and it causes a greater capability for rejecting the external pressure or hindrance (Li & Ding, 2013). It is similar with (DiMaggio & Powell, 1983), they suggested that the lesser resource owned by an organization, the greater the probability to be influenced by other institutional entities.

The research of (Li & Ding, 2013) found that isomorphism institutional pressures encompass coercive, mimetic, and normative pressures have effects on the internationalization process in China. However, it was known that it can be weakened when the organization capability becomes strong, especially on normative pressure. Hence, if there is a good capability in the body of organization, it will be able to reduce any external pressure effects.

H2a: Coercive pressure effect on the use of performance measurement system will be weak when human resource capability is stronger

H2b: Mimetic pressure effect on the use of performance measurement system will be weak when human resource capability is stronger

H2c: Normative pressure effect on the use of performance measurement system will be weak when human resource capability is stronger

2.7. The Use of Performance Measurement System and Accountability

PMS implementation by Indonesian Government has actually also the purpose for improving accountability. According to Regulation of Minister of State Administrative Reform No. PER/09/M.PAN/5/2007 regarding General Guideline of Primary Performance Indicators Stipulation

in Government Institution environments for running the government in Indonesia, it needs Primary Performance Indicators stipulation to measure performance and improvement, as well as to enhance performance accountability. This indicated that it needs performance measurement for enhancing organization accountability.

The previous research in some countries have shown evidence that there are positive correlation between performance measurement and accountability. In the research of Victoria local government, it was found that increase in the use of performance measurement in public sector is linked to the rise of accountability and organizational change stipulation performed by the central government (Kloot, 1999). The later research conducted by (Julnes, 2006) in USA government organizations effectively shows that the performance measurement is a management change base for enhancing accountability in program logical condition generating fit and proper service in constructing the program aim.

H3: *The use of Performance Measurement System has effect on accountability positively*

3. Research Methods and Materials

3.1. Population and Sample

This research was conducted in Regional Apparatus Work Unit (RAWU) of Special Region of Yogyakarta (SRY) and Central Java. SRY comprises RAWU in Bantul Regency, Gunung Kidul Regency, Kulon Progo Regency, and Sleman Regency. LAKIP 2017 values in each SRY regency-city scored BB and A values, while the others in each Central Java regency-city scored CC to BB values. The samples used in this research were senior executives in RAWU that are functionaries on echelon II, III, and IV. This research used random sampling method for sample selection, thus, all senior executives have the same chance to become the sample.

3.2. Data Analysis Method

This research used mixed method in collecting the data. Specifically, it used sequential explanatory strategy by combining quantitative and qualitative data analysis (Creswell, 2014). The quantitative analysis for testing hypothesis was done by Structural Equation Modelling - Partial Least Square (SEM-PLS) approach. The qualitative approach used content analysis, semi-structured interview, and open interview to gain comprehension and elucidation deeply related to the quantitative result obtained. The basis for determining respondents that would be interviewed in this research was gained by observing the outlier data obtained from the quantitative data analysis.

3.3. Research Variables and Variable Measurements

3.3.1. Institutional Pressures

Institutional pressures consist of three forms namely Coercive Pressure (CP), Normative Pressure (NP), and Mimetic Pressure (MP). The instrument used to measure the three institutional pressure elements referred to the one had been used by Li & Ding, (2013) adopted from Teo, Wei, & Benbasat, (2003) and Liang, Saraf, Hu, & Xue, (2007).

3.3.2. Human Resource Capability (HRC)

The human resource capability of this research reflected the organization's competitive ability namely internal human resource that enabled completing the tasks and reach the goal. The instrument used to measure HRM capability was adopted from Li & Ding, (2013).

3.3.3. The Use of Performance Measurement System (PMS)

The use of PMS included three different roles in the organizations that were its implementation in operational activities, awards, and as the mean to conduct explorations as in the research Speklé & Verbeeten, (2014) with some adjustments for public sector organization.

3.3.4. Accountability (ACC)

Accountability in this research referred to Matek in Akbar, Pilcher, & Perrin, (2012). This research considered accountability in two categories: internal and external. The internal accountability had adopted from Cavalluzzo & Ittner (2004). On the other hand, the external accountability had been adopted from Wang (2002).

4. Results and Discussion

4.1. Quantitative Data Analysis

The high level-categorized questionnaire return (79%) was 273 of 351 questionnaires distributed. The questionnaires which were not returned, could not be processed wholly because of incomplete identity of respondents; filled-up questionnaires that did not match with the respondent criteria, and the half-filled questionnaires were also not processed. Therefore, it was only 209 questionnaire exemplars (61%) that were able to be analyzed properly. Male respondents dominated this research (54, 07%), were 41-50 years old (53, 11%), and had latest educational background with the bachelor degree (53, 11%), served as echelon IV (79, 90%),

and had service life for more than 15 years (77, 51%), and occupied the current position for 2-5 years (57, 42%). It analyzed the quantitative research data by applying software PLS (i.e. WarpPLS 3.0) by conducting several procedures, starting from design to evaluation for both the structural model and the research measurement model.

4.2. Research Testing Results

4.2.1. Structural Model Evaluation

It tested structural models to examine correlation among the latent constructs. Based on Table 1, the endogenous construct variable variance of the use of PMS can be elucidated by 39.1% (R^2 for PMS) of the exogenous construct variance. The accountability endogenous variable can be described as 42.8% (R^2 for ACC) by the exogenous construct variance. Meanwhile, Q-squared in this research scored 0.436 for PMS variable and 0.442 for accountability variable. It indicated that the predictive validity or relevance of this research model was excellent due to the fact that it already exceeded the value of 0. Whereas the fit model indicators in the research had fulfilled the criteria. It could be seen from Table 2.

4.2.2. Measurement Model Evaluation

It used measurement model evaluation for testing the correlations between the independent variables and the dependent variables as well as the indicators and their constructs.

Table 1: Latent Variable Coefficient

Variable	R-squared	Q-squared
PMS	0,391	0,436
ACC	0,428	0,442

Table 2: Model Fit Indicator

Indicator	Coefficient	Terms	Explanation
Average Path Coefficient (APC)	0,210	P<0,001	Approve
Average R-squared (ARS)	0,410	P<0,001	Approve
Average Block VIF (AVIF)	2,382	approve if ≤5, ideal if ≤3.3	Ideal (No Multi-collinearity)

Measurement Model Evaluation of the Reflective Variable

The research instrument measurement could be considered from the values of composite reliability instruments and Cronbach's alpha (Hair, Hult, Ringle, & Sarstedt, 2014). Both of them had to score >0.70 as the reliability requirement. The convergent validity could be evaluated by using Average Variance Extracted (AVE) value. The value had to score >0.50 . Table 3 shows that the composite reliability value and Cronbach's alpha in this research have met the reliability requirements.

Measurement model evaluation also needed to test discriminant validity. The criterion used was AVE quadratic root (diagonal column) that had to be higher than the correlations among latent variables in the same column (above or below). The test results in table 4 shows that the discriminant validity has been fulfilled.

Measurement Model Evaluation of the Formative Variable

Measurement model evaluation of the formative variable used indicator weight and multicollinearity test. As the requirement for indicator weight, it required formative indicator weight with its construct that must be significant ($p<0.05$) (Sholihin & Ratmono, 2013). On the one hand, it performed a multicollinearity test for determining the correlation among indicators by determining VIF value that was <3.3 (Kock, 2013). Table 5 presented the indicators weight, significance levels, and VIF value of the formative variable of this research that had fulfilled measurement properness.

Table 3: Convergent Reliability and Convergent Validity

	HRC	PMS	ACC
Composite Reliability	0.895	0.912	0.939
Cronbach's Alpha	0.862	0.891	0.927
AVE	0.551	0.518	0.571

Table 4: Discriminant Validity

	CP	MP	NP	PMS	ACC	HRC
CP	0.801	0.674	0.515	0.578	0.468	0.504
MP	0.674	0.813	0.548	0.537	0.404	0.469
NP	0.515	0.548	0.702	0.412	0.304	0.392
PMS	0.578	0.537	0.412	0.72	0.654	0.477
ACC	0.468	0.404	0.304	0.654	0.755	0.529
HRC	0.504	0.469	0.392	0.477	0.529	0.743

4.2.3. Hypothesis Test

Table 6 shows that there is a positive effect of coercive pressure on the use of SPK as shown by the path coefficient of 0.232 with a p-value <0.001. These results indicate that H1a is supported. This result is in line with research from Akbar, Pilcher, & Perrin, (2012) who found that local governments in Indonesia use a performance measures in the form of performance indicators for formal reporting or legislative requirements. The table also shows that there is a positive effect of mimetic pressure on the use of PMS as indicated by the path coefficient of 0.229 with a p-value <0.001. These results provide evidence that H1b is supported. These results are consistent with research from Akbar, Pilcher, & Perrin, (2015) which proves that there are several Local Governments in Indonesia that use performance measurement system by imitating those carried out by other organizations. However, the effect of normative pressure on the use of PMS shows the path coefficient of 0.080 with p-value <0.122, which means that the effect of normative pressure on the use of PMS is not significant. These results provide evidence that normative pressure affects the use of SPK so that H1c is not supported.

Table 5: VIF and P-values

Variable	Item	Weight	P value	VIF
Coercive Pressure	TK1	0.400	<0.001	1.460
	TK2	0.459	<0.001	1.838
	TK3	0.385	<0.001	1.377
Mimetic Pressure	TM1	0.410	<0.001	1.582
	TM2	0.376	<0.001	1.344
	TM3	0.440	<0.001	1.816
Normative Pressure	TN1	0.547	<0.001	1.215
	TN2	0.285	<0.001	1.022
	TN3	0.544	<0.001	1.213

This result is contrary to research from Akbar, Pilcher, & Perrin, (2012) who found that normative pressure in the form of technical knowledge, both formal and informal, has an influence on the use of performance indicators.

Hypothesis Testing on the Effect of Isomorphic Institutional Pressures on the Use of Performance Measurement System in Moderation by Human Resource Capability also found unsupported results. The results of testing the interaction of human resource capabilities on the relationship between coercive pressure on the use of PMS shows that H2a is not supported with a p-value of 0.220, even though the path coefficient marked negative (-0.053) is in accordance with the hypothesis of this research. These results are not in line with the expectations, but these results are in line with research done by Li and Ding, (2013) who found that HR capabilities were unable to moderate the influence of coercive pressure in the internationalization process in China. This research shows that the capability of human resources cannot weaken the effect of coercive pressure on the use of PMS in Regional Government Agency (SKPD). The results of testing the interaction of human resource capabilities on the relationship between mimetic pressure on the use of PMS indicate that H2b is not supported with a p-value of 0.494, even though the path coefficient marked negative (-0.001) is in accordance with the hypothesis of this research. These results are not able to prove the hypothesis but these results are in line with the research done by Li and Ding, (2013) who found that human resource capabilities are not able to moderate the influence of mimetic pressure in the internationalization process in China. This research shows that the capability of human resources is not able to weaken the effect of mimetic pressure on the use of PMS in Regional Government Agency. The results of testing the interaction of HR capabilities to the relationship between normative pressures on the use of PMS indicate that H2c is not supported even though the p-value of 0.015 is significant at the 0.05 level because the path coefficient is positive (0.146) is not in accordance with the hypothesis of this research.

Table 6: Coefficient of Coercive Pressure Effect on the Use of PMS

Construct	Symbol (+/-)	Path Coefficients	P Value	Description
CP-PMS	H1a (+)	0.308	<0.001	Supported
MP-PMS	H1b (+)	0.229	<0.001	Supported
NP-PMS	H1c (+)	0.080	0.122	Unsupported
HRC*CP-PMS	H2a (-)	-0.053	0.220	Unsupported
HRC*CP-PMS	H2b (-)	-0.001	0.494	Unsupported
HRC*CP-PMS	H2c (-)	0.146	0.015	Unsupported
PMS-ACC	H3 (+)	0.654	<0.001	Supported

These results are not in line with the research done by Li and Ding, (2013) who found that organizational capabilities moderate the influence of normative pressure in the internationalization process in China. This research shows that the capability of human resources cannot weaken the influence of normative pressure on the use of PMS in Regional Government Agency.

The table shows that the use of PMS affects the accountability shown by the path coefficient value of 0.643 and significant at p-value <0.001. These results illustrate that the use of PMS has a positive effect on accountability so that H3 is supported. This finding is consistent with research by Julnes (2006) which proved that in United States, government organizations use performance measurement as the core of management change in increasing accountability.

4.3. Qualitative Data Analysis

Based on data from 39 people (18.66%) respondents who stated their willingness to be interviewed and got their telephone numbers noted, but there were only 6 people including outliers who were willing to be interviewed. Out of 6 outlier respondents, 4 respondents were selected as samples in the qualitative stage of this research (Table 6).

4.3.1. Effect of Isomorphic Institutional Pressures on the Use of Performance Measurement System

Coercive pressure shows a significant effect on the use of PMS. These results indicate that the use of PMS is only as formal reporting or in accordance with the legislative requirements. This is reinforced by the results of interviews from the following respondents who revealed the reason for making Government Agency Performance Accountability Report (LAKIP) just because the regulations required it. The explanation shows that the coercive pressures in the form of the regulation caused the government agencies to work on LAKIP not fully because of the awareness of the importance of using PMS, but rather for the implementation of obligations and routine tasks.

Table 6: Selected Respondents Based on Outlier Data

R	Regency	M/F	Position	Institution
R.049	Kulon Progo	F	Echelon IV	BPMPDPKB
R.064	Gunungkidul	M	Echelon III	Satpol PP
R.146	Klaten	M	Echelon IV	BPBD
R.172	Magelang	F	Echelon III	BAPPEDA

"There is a regulation of the minister for the state apparatus utilization from the ministry of the state apparatus utilization. It contains the necessity of making a Government Institution Performance Report (LKJIP) (formerly LAKIP). LKJIP is the main performance indicator of Regional Government Agency." [R.172]

"If asked to implement LAKIP because of awareness, actually we are not yet aware, SKPD must be kind of motivated continuously. The effective motivation is reward and punishment, but for this reward we have limitations. Financial reward is often, thank you, or dining together. But financial rewards depend on the ability of the regional budget planning (APBD)." [R.064]

Mimetic pressure has also been shown to have a significant influence on the use of PMS in local governments. This shows that there are competitive conditions in the local government environment resulting in government agencies trying to equate the use of PMS with other government agencies. These results are reinforced from the statements of the following respondents:

"Every beginning of the year of PK (Performance Determination) there will be quarterly monitoring and evaluation. At the end of the year LAKIP will be made. Later there will also be a meeting with other Regional Government Agencies, where the values from each organization are presented, it's a shame if the grades are bad." [R.172]

"If asked so far whether it is competitive or not, in my opinion it's not. Just be normative. [R.064]

Based on the respondents' answers, it can be said that within the scope of local government agencies factors arise that cause each Regional Government Agency to equalize standards and mimic the use of PMS from other Agencies, such as the condition where each government agency is compared. This triggers Agencies who have lower LAKIP values tend to imitate those who have higher LAKIP values. There were also interesting answers from respondents who revealed that a competitive and healthy environment had not yet been fully created. These conditions are driving the mimetic pressure to increasingly influence the use of PMS in local government agencies. The result that was not as expected was the relationship of normative pressure with the use of PMS which showed no significant positive effect on the use of PMS. Based on respondents' answers, it can be said that normative pressure actually exists in the form of training, workshops, and so on. However, its existence is less able to be the main motivation for local government agencies in terms of the use of PMS. This is because the training is at a technical level, not at the level of essence of the use of PMS for local government agencies.

"There are those who hold education and training related to LAKIP. There are also many offers from outside institutions/foundations, because the costs are from ourselves, it was expensive so we didn't take it. There was once from campus, UGM, a collaborative course with LKPP for 3 days or 4 days but, did not pass the exam. This is a condition of the procurement team. If it's from the government, there are some, and we often send delegates. There are from the ministry or from the province, or from other ministries besides the domestic ministry." [R.064]

4.3.2. The Effect of Human Resource Capabilities on The Relationship Between Isomorphic Institutional Pressures and The Use of PMS

The results of quantitative data processing found that organizational capabilities, especially in human resource capabilities, were not able to weaken the relationship between external pressures in the form of isomorphic institutional pressures on the use of PMS in local government agencies. This indicates that the influence of external pressure is very strong in the process of using PMS in government agencies so that internal forces are not able to weaken the relationship between the two. But that does not mean that the internal forces in the form of human resource (HR) capability does not have any impact on the PMS institutionalization process. The existence of HR capabilities is able to increase the awareness of PMS users on the importance of implementing PMS and can increase their understanding and skills in using it. This can be seen from the answers of the following respondents:

"There is Lakip training, in the organization section. There is training, socialization, how to compose it. The holder is the Regional Secretary." [R.049]

"If in Bappeda itself we have socialization, meetings. But mostly in Bappeda for each Section we just email the results of the meeting." [R.172]

The reason for the inability of HR capabilities to weaken the influence of isomorphic institutional pressure especially coercive pressure on the use of PMS in local government agencies is because the agencies will never be separated from the rules or regulations of the central government. This can be seen from the following respondents' answers:

"Technical guidance is related to LAKIP, and there are tasks. Yes, we should be picky. Related to regulation. The employee is now bound by regulation. And if you do not master it, it means hell." [R.064]

"Yes, everything is set from the central government. We cannot carelessly make policies. Unless we are functionals." [R.146]

This binding regulation with the same imposition causes local government agencies with relatively small scale organizations to become too burdened in the process of using PMS.

"The burden is there, the workload is almost the same as the agencies but the personnel, including structural, are insufficient. We are lacking capable personnel in terms of both quantity and quality. Of quantity, the amount is lacking, the quality needs to be improved. And quality is also not determined from the level of education." [R.064]

The existence of this binding regulation also limits the opportunity of local government agencies to innovate in which innovation is an important element in HR capabilities. This is reflected in the following responses from respondents:

"In government, innovation does not mean we can make any program. If there is a new program from the central government, then it can only create new programs, it must also be in accordance with the central program. So, it's like this, there is already a regulation on LAKIP. If we want to get B score, C score, there is already the range." [R.172]

In addition, the lack of other internal factors other than HR capabilities such as the role of leadership in motivating and mobilizing subordinates can be a trigger for the inability of HR capabilities to weaken the influence of external pressures in the form of isomorphic institutional pressure in the use of PMS in government agencies. This was caught from the following respondents' answers:

"SAKIP cannot be separated from the leadership factor towards subordinates. Which takes the actual role related to the leadership's commitment. Usually if the leader gets better, the SAKIP will be reflected. So LAKIP is only one factor in the performance measurement system." [R.172]

4.3.3. The Effect of Using PMS on Accountability

The interview process conducted with respondents also confirmed the results of quantitative analysis which found that the use of SPK had a significant positive effect on accountability. The use of SPK in the context of this research is the making of LAKIP by local government agencies as a form of their accountability to parties related to the local government agencies. The performance information is then used as a condition in increasing government accountability and transparency (Akbar, Pilcher, & Perrin, 2012). In addition, several responses from respondents also explained the benefits of LAKIP to improve accountability and performance as the following:

“Yes, I agree that LAKIP has a big influence on accountability. LAKIP can be a reflection of government accountability. LAKIP assessment can increase the accountability as long as there is a follow-up from the district/city to implement the recommendations given. If you take part in the assessment, but only because of the obligation, it doesn’t give any effect. There must be a commitment to reform the bureaucracy and improve public services.” [R.172]

Although it is proven that the use of SPK is able to be a benchmark and increase accountability, some respondents still complain about the different accountability processes for each related party and the implications for government agencies that use the PMS itself.

“In terms of benefits, the report is still useful for measuring success and for information to determine the next program. The problem is the correlation between budget efficiency and program achievements. The current performance, so if there is a lot of remainder means the agency is able to manage money, means good planning. But in terms of efficiency, it’s efficient. Now that’s often a problem. [R.049]

“Only unfortunately LAKIP has not been related to performance benefits.” [R.172]

5. Conclusions

The results of data analysis based on quantitative and qualitative approaches used in this research have provided an overview of the PMS and accountability institutionalization process in local government agencies by looking at the influence of external pressures in the form of institutional isomorphic pressures on the process and the role of internal forces in mediating the relationship between the two. This research found that isomorphism institutional pressure had a considerable influence on the use of PMS in local government agencies and this research was unable to prove that organizational capability as measured by HR capability was able to weaken the influence of isomorphic institutional pressures on the use of PMS. In addition, this research also found that the use of PMS has an important role in increasing accountability in local government agencies.

The interpretation of the results of this research needs to consider several limitations including the fact that this research only succeeded in obtaining samples from Agencies in districts/cities that are in the LAKIP score of C, CC, B, BB, and A although these values constitute the majority of RAWU in Indonesia. This research has not yet succeeded in obtaining Agencies in district/city samples with LAKIP score of AA and D. Future studies can add districts/cities

with LAKIP score AA and D as research subjects. This research data is the result of respondents' perceptions, so it can cause problems if the respondent's perception in filling out the questionnaire is different from the actual situation. In addition, some of the questions in the research instrument (questionnaire) are concepts that are used in general, not specific to government agencies so that it affects the quality of the instruments used as data collection media. Future studies can use the mixed method again to perfect the results of the questionnaire. Another limitation is the lack of valid respondents who are willing to be interviewed. What needs to be developed in further research is the need for exploration of other factors as internal forces that can influence the institutionalization process. The interview results indicate that the leadership ability in guiding and directing subordinates plays an important role in the PMS institutionalization process.

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